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APPLICATIONS BEING ACCEPTED FOR RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS GRANTS AND GUARANTEED LOANS

MORGANTOWN, WV - February 13, 2006—USDA Rural Development is accepting applications through the Business and Cooperative Programs to purchase renewable energy systems and make energy efficiency improvements for agriculture producers and rural small businesses in eligible rural areas.

Nationwide, the amount available for competitive grants is $11.385 million. Approximately $176.5 million in guaranteed loan authority is also available. Any guaranteed loan funds that are not obligated by August 1, 2006, will be pooled and revert to the National Office reserve for grant use.

USDA is currently in the process of evaluating the potential for a direct loan program to help finance renewable energy and energy efficiency projects for rural small business and agricultural producers. Therefore, for purposes of Fiscal Year 2006, funding will be limited to grants and guaranteed loans.

For renewable energy systems, the minimum grant request is $2,500 and the maximum is $500,000. For energy efficiency improvements, the minimum acceptable grant request is $1,500 and the maximum is $250,000. The maximum amount of a guaranteed loan made to a borrower will be $10 million. For Fiscal Year 2006, the guarantee fee amount is 1% (one percent) of the guaranteed portion of the loan and the annual renewal fee is 0.125% (one-eighth of one percent) of the guaranteed portion of the loan.

Steptoe added, "Grant applications must be completed and submitted to USDA Rural Development, ATTN: Cheryl Wolfe, Business and Cooperatives Program Director, Federal Building, Suite 320, 75 High Street, Morgantown, WV 26505-7500 postmarked no later than May 12, 2006. Guaranteed loans will be awarded on a continuous basis until August 1, 2006, however, they must reach National Office for funding consideration by July 3, 2006."

Further information and application procedure can be found in today's Federal Register at http://a257.g.adamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/E6-1923.htm

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USDA Rural Development's mission is to increase economic opportunity and improve the quality of life in rural communities. As a venture capital entity, Rural Development has invested over $63 billion since the beginning of the Bush Administration to provide equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Over 1.1 million jobs have been created or saved through these investments.

Rural Development serves as the lead Federal entity for rural development needs and administers program assistance through its rural housing programs, rural business programs, and rural utilities programs. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

Further information on USDA Rural Development may be obtained by visiting USDA's web site at http://www.rurdev.usda.gov. In West Virginia, call 1-800-295-8228 to be put in touch with the appropriate personnel serving your county. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202.720.2600 (voice and TDD).

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